



STATE OF ALABAMA

ANNUAL STRATEGY STATEMENT

FISCAL YEAR 2007

Bob Riley
Governor

**ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRS**

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Introduction

Vision: Appalachia will achieve socio-economic parity with the nation.

Mission statement of ARC: ARC's mission is to be a strategic partner and an advocate for sustainable community and economic development in Appalachia.

Each year, the thirteen member-states of the Appalachian Regional Commission (ARC) publish strategy statements outlining their plans for the use of ARC funds in the designated ARC service areas of their respective states. Programs and activities benefiting the residents of those areas are eligible to receive consideration for funding from the funds designated by Congress for that purpose. Thirty-seven counties in northern Alabama are included in the service area of the Appalachian Regional Commission (ARC). These counties are listed on the Alabama Department of Economic and Community Affairs (ADECA) web site: <http://adeca.state.al.us/> as well as the ARC web site at <http://www.arc.gov/counties>.

This strategy statement is submitted annually to the Commission and outlines the State's commitment for the use of ARC funds. It was written with the assistance of the eight Local Development Districts serving Appalachian Alabama: West Alabama Regional Commission, Regional Planning Commission of Greater Birmingham, Top of Alabama Regional Council of Governments, Northwest Alabama Council of Local Governments, North Central Alabama Regional Council of Governments, South Central Alabama Development Commission, Central Alabama Regional Planning Commission, and East Alabama Regional Planning and Development Commission and David Hughes of the Appalachian Regional Commission staff in Washington.

Overview of the ARC Alabama Program

Organization

The Appalachian Regional Commission is a regional economic development agency, representing a partnership of federal, state, and local governments, designed to address local needs. The Commission was established by Congress as part of the Appalachian Regional Development Act (ARDA) of 1965. In March of 2002, ARC was granted an historic five-year reauthorization by the 107th Congress, authorizing the agency's operation through fiscal year 2006.

ARC is comprised of the governors of 13 Appalachian states and a federal co-chair, who is appointed by the president. Grassroots participation is provided through state support and multi-county development organizations called local development districts (LDDs). Each year Congress appropriates funds, which ARC allocates among its member states. The Appalachian governors prepare annual Appalachian strategy statements (such as this one), solicit and receive proposals, and select projects for ARC approval. The LDDs are an essential partner and provide local input in the development of the annual strategy statement.

The development organization for ARC Alabama functions within the Governor's Office. Administration responsibilities for the development programs of the ARC were assigned by the Governor to the Director of the Alabama Department of Economic and Community Affairs (ADECA). As such, the Director serves as the Alternate State Member of the Commission. Local support and technical assistance is provided by eight LDDs which serve the entire Appalachian Alabama region. The LDDs are governed by boards comprised of elected officials, business people, and other local leaders. (See Appendix 1 for a complete listing of LDDs).

Service Area

Thirty-seven of Alabama's sixty-seven counties are located within the Appalachian Region. These counties are: Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, DeKalb, Elmore, Etowah, Fayette, Franklin, Hale, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Macon, Madison, Marion, Marshall, Morgan, Pickens, Randolph, St. Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston.

Appalachian Development Highway System

The completion of the Appalachian Development Highway System is a major component of economic growth in Appalachian Alabama. Corridors X, V, and U.S. Highway 78 will connect Memphis, Tennessee with Atlanta, Georgia. This corridor runs between Birmingham and Itawamba County, Mississippi, and will provide an alternative to U.S. 78, which is the only existing major east-west route in the area. U.S. 78 is presently a two-lane road that goes through many small towns and has heavy traffic, including heavy trucks. Corridor X is 95.3 miles long, and will have a minimum of four lanes and full access control.

Corridor V in Alabama will run 135.4 miles, from the Mississippi state line to the Tennessee state line, nearly all of which is open to traffic. Many sections were built in stages, however, and work continues on many of these portions of the corridor.

Several water and sewer facilities funded in recent years have been clustered near Corridor X in Walker County, in anticipation of the highway's completion. Though Corridors X and V remain important priorities, the State has determined that environmental infrastructure projects have a tremendous impact on the communities that will not benefit directly from the ARC highways. As the highway corridors near completion, in the future, we expect to concentrate more of our activities in areas directly served by the highways.

Economic and Social Status of ARC Alabama

Distressed Counties

ARC's primary objective is to help "distressed" counties generate sufficient economic development to stabilize their respective economies. The ARC uses an index-based economic classification system for Appalachian counties. The index compares the economic vitality of the region's counties with all counties across the United States. ARC has traditionally used three economic indicators—unemployment, the poverty rate

and per capital market income—as criteria for its designations of the economic classification of its counties. Economic status designations have been based on a set of thresholds for national averages of each indicator that are evaluated independently for each county. In recent years, the Commission has developed an alternative classification method using these same indicators in an index-based system that allows a comparison of the region’s counties to the rest of the nation and establishes the different county designations by means of this comparison. This method of designation provides a composite measure of economic vitality for each ARC county, while allowing a comparison of the region’s vitality to that of the nation.

The following economic indicators shall be used to designate the economic classification status of Appalachian counties—per capita market income, the poverty rate, and the three-year unemployment rate. The index-based approach to the economic classification of ARC counties provides that ARC Distressed counties shall be those in the lowest 10% of all counties in the nation. Appalachian counties whose composite index value ranks above the lowest 10%, but not greater than the lowest 25%, of all the counties in the nation shall be designated At-risk counties. Appalachian counties whose composite index value ranks in the highest 25%, but less than the highest 10% of all counties in the nation shall be designated Competitive counties. Appalachian counties that have a composite index value in the highest 10% of all the counties in the nation shall be designated Attainment counties. All other ARC counties shall be designated Transitional counties. For FY-2007, Alabama has one Attainment County (Shelby) and one Competitive County (Madison).

In order to mitigate planning disruptions caused by the Commission’s adoption of an indexed-based economic classification system, Subsection 7.5b of the ARC Code (designation of distressed counties) shall remain in effect during FY-2007, which is a transition period. This means that Franklin County will remain designated as a Distressed county through FY-2007.

The following table denotes which Appalachian Alabama counties have received a *distressed* classification since FY2002:

FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
Franklin Hale Macon Pickens	Bibb Fayette Franklin Hale Macon Pickens	Bibb Fayette Franklin Hale Macon Pickens Winston	Bibb Franklin Hale Macon Pickens	Bibb Franklin Hale Macon Pickens	Franklin Hale Macon Pickens

At-Risk Counties

Under the index system, counties between the lowest 10% and 25% of the nation are designated At-Risk. Under the index-based economic designations, there are eight (8) At-Risk counties in Appalachian Alabama for FY-2007. In index value descending, these are: Winston, Bibb, Lamar, Randolph, Coosa, Marion, Fayette, and Clay.

Economic Summary

Appalachian Alabama's population in 2000 was over 2,837,000 with nearly 1,565,000 employed in full or part-time work, or self-employed. These counties account for 64 percent of total employment in the state, which is slightly higher than the Appalachian portion's population share of 63 percent. Manufacturing sectors lost nearly 6 percent of their employment over the 1996-2000 period, although manufacturing still accounts for 20 percent of all private employment. Nonetheless, job losses have been pronounced in the furniture and fixtures industries, lumber and wood products industries, and apparel and textiles. Job growth in the finance, insurance, and real estate sectors increased by 22.4 percent over the 1996-2000 period--a slightly faster pace than in the state as a whole. Overall, the service sector also posted higher job growth than the statewide average. Farm and mining employment registered declines as these sectors continued to retrench. Meanwhile, Appalachian Alabama has borne a disproportionate share of reductions in civilian and military federal employment in the state over the last several years.

Program Initiatives Review

Summary of LDD Activities

Northwest Alabama Council of Local Governments: (Colbert, Franklin, Lauderdale, Marion and Winston Counties) The Northwest Alabama Council of Local Governments serves District 1, which includes Colbert, Franklin, Lauderdale, Marion and Winston counties. Of these five counties, only Franklin County was designated an ARC "distressed" county in FY2006. NACOLG continues to serve governmental entities of District 1 during FY2006 by working to improve the economic quality of life in the region. NACOLG participates in the workforce development program which offers skills training to individuals in an effort to have a reliable and well trained workforce available for any industry desiring to locate in the region. NACOLG is partnering with Haleyville Technology Center and Bevill State Community College to offer the training. Additionally, NACOLG continues to work with the Small Business Development Center in promoting the Revolving Loan Fund Program. A representative will continue to market the NACOLG RLF program to financial institutions within the five-county area in a desire to increase knowledge of the program and its availability to companies desiring to create or retain jobs in the region. The LDD has made 39 loans totaling \$3,130,804 and leveraged private dollars of \$1,797,839. These loans have been instrumental in retaining or creating over 700 jobs in the area.

NACOLG assists member governments and other organizations within its five-county region, in the planning and preparation of applications for ARC assistance. In accordance with this members of the NACOLG staff attend ARC workshops to stay abreast of the application process.

The LDD continues to seek funds from sources such as the Community Development Block Program, Environmental Protection Agency, Department of Transportation and Special Appropriation and Federal Emergency Management Agency as well as any other source that may come available to assist local governments. NACOLG continues to assist these member governments in applying for grants to provide physical infrastructure such as water lines/water storage, sewer and road improvements. NACOLG also assists local governments in applying for Land and Water Conservation Funds to secure funding necessary to improve recreational programs for citizens in their communities. NACOLG also assisted local governmental entities in procuring grants which enabled them to assist local firms in the creation and retention of jobs. NACOLG will again provide Grant and Technical Assistance to fire and rescue departments in the region applying for grants through the FEMA Fire Grant program.

As part of its planning process, NACOLG assisted its local governmental entities in completing master plans, comprehensive plans, tourism development plans, downtown revitalization plans, redistricting plans, hazard mitigation plans and homeland security plans. With several instances of weather related damage occurring throughout the region in the last year local governments have become more aware of the need for creating hazard mitigation plans that will increase their ability to deal with these situations in the most efficient way possible. NACOLG continues to provide assistance to local governments in seeking these funds.

West Alabama Regional Commission: (Bibb, Fayette, Greene, Hale, Lamar, Pickens, Tuscaloosa Counties) Greene County is the only non-ARC county served by the West Alabama Regional Commission.

In FY 2006 Bibb, Hale and Pickens counties are ARC distressed counties. Fayette County is an at-risk county, and Lamar and Tuscaloosa are transitional counties.

Upgrading and expanding water and sewer infrastructure in the West Alabama region is a priority for the LDD. Providing these services in remote rural areas with sparse populations is a challenge for local governments and water and sewer authorities. Energy conservation and reuse of wood waste materials is the focus of efforts in Bibb County with a feasibility study planned this year with involvement of both public and private sectors.

Rural transportation planning has been a major initiative for the LDD in 2006. WARC began implementation of the second year of a two-year Rural Planning Organization (RPO) pilot project for the Alabama Department of Transportation (ALDOT). The pilot project involves developing a rural transportation planning program for West Alabama's six non-metropolitan counties. The project is being used as a model for a rural transportation consultation process in the state.

The LDD began implementation of a Global Positioning System for mapping water systems in the three distressed counties. The staff coordinated the project with local water authority personnel and engineering firms. The Town of Akron in Hale County

was the first system to be mapped for the project. After all water systems in Hale County are completed, Bibb and Pickens systems will be mapped.

Leadership development is another significant issue, particularly in rural areas that do not have continuous access to the necessary resources in their communities. The City of Fayette is partnering with Beville State Community College to develop a leadership project for residents throughout the county. The University of Alabama is expanding the Alabama Entrepreneurial Research Network into unserved counties and communities in West Alabama by providing training and other resources that lead to local job creation. The Safe House Black History Museum in Greensboro is planning an expansion project to provide learning tools, expand exhibits, and create meeting facilities to attract more visitors.

WARC partnered with the Tuscaloosa Convention and Visitors Bureau to develop a tourism DVD on West Alabama's heritage tourism attractions. The LDD again participated in the planning the Alabama-Mississippi rural tourism conference which targets small, rural communities by providing education about the tourism industry and the potential for tourism for improving economic development in rural areas.

Regional Planning Commission of Greater Birmingham: (Blount, Chilton, Jefferson, St. Clair, Shelby and Walker Counties) are served by the Regional Planning Commission of Greater Birmingham. The LDD continues to assist local governments with grant management, planning and technical assistance services including assistance in implementing various telecommunications applications.

LDD staff continues to assist in the area of telecommunications. On a region-wide basis, a number of existing distance learning systems need to be expanded and upgraded, while new service continues to be needed in several counties. The video arraignment systems in St. Clair and Jefferson Counties want to add service to the state prison located in each county, while new service is needed in Oneonta between the courthouse and the Blount County Jail.

The LDD partners with a number of local entities both public and private, in an effort to solve problems existing at the local and regional levels. One of the LDD's primary collaborators is the Regional Growth Alliance. The LDD, Region 2020 and Birmingham Regional Chamber of Commerce formed the Regional Growth Alliance in an effort to increase the capacity of citizens, business and government leaders to coordinate their interests and address growth-related issues that are regional in scope. The Alliance has been organized so that it can address transportation, environmental and racial/economic diversity issues. The mission of the Growth Alliance is to inform and recommend policies and guidelines to government, business and citizens in support of a balance of conservation and development of historic, natural and cultural resources through land use policies and a framework for neighborhood preservation and revitalization. Phase I of the Framework for Growth has been completed and a report has been published that addresses How to Build and Where to Build. Phase II of this report is still in progress.

LDD personnel have been involved in the creation of a regional brownfield redevelopment planning process. This entailed identifying participants from the region, state and federal agencies and the public. The process addresses job creation, reuse and redevelopment of abandoned manufacturing, commercial as well as previously mined properties. Project outputs are listed on the RPCGB website located at <http://www.rpcgb.org/brownfields/brownfields.htm>

LDD staff has engaged in the development of proposals for local communities to create an effective community development plan. A community planning methodology has been developed that is currently being promoted throughout the six county region as the Building Communities Program. Included in the Building Communities Program is the agency's Regional Main Street Program that provides planning assistance needed to transform local downtown areas into attractive, functional and economically viable commercial centers.

The LDD is working with member governments on the development of new business and industrial parks located in Jefferson, St. Clair and Chilton Counties. Assistance is also being provided to local groups in Blount, St. Clair and Walker Counties that have existing industrial parks which need to be upgraded or expanded. The business incubators operated by UAB and by the city of Birmingham will be housed in a renovated building located in downtown Birmingham that will enable both operations to be efficiently managed by a single management team. ARC grant assistance was requested for this project.

The LDD continues to assist area businesses with their gap financing needs. The LDD has made six RLF loans containing \$6.5 million in total private financing that has resulted in the creation or retention of 133 jobs. During 2005, one RLF loan was closed resulting the creation of 10 new jobs. A large destination retail project is being developed in the city of Leeds.

In late 2005, Snead State Community College opened a new satellite teaching center in the city of Oneonta, giving Blount County its first resident institution of higher learning. Similar satellite centers are being built in the cities of Clanton and Pell City that will provide Chilton and St. Clair County residents and businesses with access to community college educational services.

East Alabama Regional Planning & Development Commission: (Calhoun, Chambers, Cherokee, Clay, Cleburne, Coosa, Etowah, Randolph, Talladega, and Tallapoosa Counties) are served by the East Alabama Regional Planning and Development Commission (EARPDC). EARPDC continues to increase leadership and administrative capabilities of local government officials through training seminars held periodically in association with the monthly meetings of the EAC Board of Directors. EARPDC also encourages local officials, staff, and boards to participate in statewide conferences and training sessions by running articles about upcoming events in its monthly newsletter, which is distributed extensively throughout the region and the state, and by sending brochures to its mailing list. EARPDC also maintains a website with similar information.

EARPDC has pursued every opportunity to offset the cost of improving the water, sewer and road systems in the region. ARC, CDBG and EDA grants have been awarded to provide infrastructure improvements; EARPDC will continue to pursue grant opportunities in the future. The LDD maintains a water and sewer inventory by county that includes a report outlining the service and capability of each system and a map showing each system's lines for each county. The report portion will be updated in 2006. The maps were updated in 2005. The LDD continues to pursue grant opportunities to improve infrastructure to brownfield areas as well as greenfield areas. Two closed military installations within the region have been turned over to their respective local communities within the last few years, and intensive efforts are underway to create as many jobs as possible through the redevelopment of these properties. Both installations will be redeveloped using mixed land uses including industrial, a wildlife preservation, recreational, residential, and commercial uses. At the installation in Calhoun County, McClellan Properties, grants were acquired to improve the wastewater treatment plant to support future development on the Properties. 950 acres have been designated at McClellan as an industrial park. Currently, a state grant has been obtained to aid in constructing an industrial access road, but additional funding is still required before this project can begin. In addition, the Eastern Bypass (connection from McClellan to Interstate 20) must be completed before full development of the industrial park will become feasible.

In preparation for the closing of Fort McClellan, grants were obtained to aid in the establishment of a small business incubator, which opened in 1998. The incubator, as of May 2005, has been in operation for 8 years. Eleven companies have successfully graduated from the facility; fifteen start-ups now occupy the facility. As of the end of 2005, over 285 direct jobs and 350 indirect jobs had been created by the incubator businesses. Annual wages amounted to over \$7.5 million in 2005; annual revenues were calculated at \$23 million. In 2004, nearly \$1 million in city sales taxes and another \$1 million in state taxes were generated by the incubator's businesses.

In Childersburg, the redevelopment of a closed army base is proceeding. The Childersburg Industrial Park consists of 2,100 acres on property once used as a munitions factory. The site has been environmentally cleaned up, and development is slowly progressing. To date, one company is located there, but in the summer of 2005, Nippon Oil, LTD announced it would build a new lubricants production facility in the Park. Both ARC and CDBG grants were obtained for this project, in order to deliver sewer infrastructure to the site. The Water Board will be providing water to the site, and the City of Childersburg has obtained a state grant to construct the access road. Nippon will inject a capital investment of \$20 million and will create 30 new jobs. They plan to open their facilities in the summer of 2006. As an added bonus, the infrastructure being brought to the industrial park because of this project will serve to promote the development of the entire 2,100 acre par.

The Lake Martin Area Industrial Development Authority (LMAIDA) has completed the infrastructure for the Lake Martin Regional Industrial Park in Coosa County. LMAIDA has obtained both state and federal grants for access, water, and wastewater treatment for

this 85-acre industrial park (Phase I of a 325-acre park). Currently 3 companies have located here (although one has consolidated its operations and moved into one of the old mill buildings in near-by Alexander City), and a spec building has been constructed.

The largest and most far-reaching activity within the East Alabama region is the infrastructure expansion in the City of Lincoln (Talladega County) in response to Honda's decision to locate its new plant nearby. A package of federal and state grants was assembled to upgrade the roads, water, and wastewater treatment facilities. These facilities will not only benefit the Honda plant, but will also accommodate the expected growth within Lincoln itself. The plant began operation in late 2001 with a projection of 1,500 workers. Since then, several expansions have been implemented. Current employment stands at 4,400, and is projected to exceed 4,500. In response to the location of a new Honda plant in Alabama, many Honda suppliers have also elected to locate throughout the state, creating hundreds of new jobs.

In May, 2005, the City of Oxford (Calhoun County) announced that its Bynum area had been selected as the location for Kronospan, a German company that is the world's largest manufacturer of panels and particle board. The site is currently under construction, and the initial phase of the first of three plants is expected to open in the summer of 2006. Kronospan has announced that it will eventually create over 700 new jobs and will invest \$500 million in the project

Although the Honda project is having a strong and positive economic impact on the region, studies have shown that most of the jobs in the United States are generated by existing industries. In acknowledgement of this fact, the Economic Development Partnership of Alabama has purchased the state license for an existing industry program and database. The Partnership has offered sublicenses to all counties and regions in the state. EARPDC purchased a sublicense in early 2004 and offered its use to the LDD counties. Six chambers of commerce and industrial development boards in the ten-county region have signed on to the program and have begun the interview process. The database compiled from the interview information will allow the LDD to generate reports on the general health and trends of existing businesses in the region.

Over the past 3 years, the EARPDC has worked on an ARC-funded, cooperative highway corridor planning project with the Regional Planning Commission of Greater Birmingham. This project, the I-20 Corridor Study, is a detailed evaluation of future development potential in a five-mile wide corridor along I-20 between downtown Birmingham and Heflin, AL. Extensive computer mapping of the corridor was completed during Phase I of the project. The two regions are currently working on completing Phase II of the project, which includes an evaluation of the "development readiness" of potential future industrial development sites in the corridor and the development of a computer model to calculate the financial return to local governments in the corridor that can be generated from targeted infrastructure investments to these potential future development sites

The Commission has created the staff capacity to assist in Contingency Planning for hazard mitigation and disaster response for counties and municipalities. Initial investigation indicated that few counties and municipalities have maintained contingency plans. The LDD is also working with the Emergency Management Agencies (EMAs) of the 10 counties to update their County Emergency Operations Plans to include technical hazards in addition to natural hazards.

The LDD is also working with eight of the ten county EMAs in the preparation of hazard mitigation plans, incorporating contingency plans for both counties and municipalities. These plans met the deadline of November 1, 2004 for approval by the Federal Emergency Management Agency (FEMA).

South Central Alabama Development Commission: (Bullock, Butler, Crenshaw, Lowndes, Macon, Montgomery, and Pike Counties). Served by the South Central Alabama Development Commission, Macon County is the only Appalachian county in Local Development District 5. This county of 22,810 (2005 est.) persons is also an ARC designated “distressed” county. Plagued by higher than average unemployment, high family poverty, and low per capita income rates, Macon County has undergone and is experiencing efforts to remedy these troubling figures. During FY 2005 and 2006, many projects received and continued to receive ARC support and funding. Each of these projects came about as a result of implementing the goals and objectives identified in the State’s *Annual Strategy Statement* as well as other local plans and strategies.

Central Alabama Regional Planning & Development Commission: (Autauga, Elmore and Montgomery Counties).). Of the three counties served by CARPDC, Elmore is the only Appalachian County and has been designated by ARC as a “transitional” county. CARPDC completed the following working in Elmore County during the past year:

- ◆ **Coosada**- Updated Zoning Ordinance and Map, Transportation Enhancement grant for sidewalk additions along Pecan Grove Road Road, Grant requesting fire fighting equipment through FEMA funding, Update of Hazard Mitigation Plan, Assisted in funding for Bridge Improvements, Secured grant funds for RPO, Updated Base Map.
- ◆ **Deatsville** – CDBG Water Improvement Application, Update of Base Map, Hazard Mitigation Plan, Assist with Annexation process. Acquired Land and Water Conservation Funds to develop new park, Secured grant funds for RPO
- ◆ **Eclectic** – Coordination of mini-projects for Senior Center with local non-profits, Submitted grant application to Alabama Power Foundation, Secured grant funds for RPO, Updated Base Map, Assisted with Annexation process, acquisition of a grant for installation of a walking trail in Panther Palace Park...
- ◆ **Elmore (Town of)** –Assisted with Annexation process, Updated Base Map, Produced and had adopted a Land Use Plan for Town, Drafted new Zoning

Regulations, Secured grant funding for RPO, completed Hazard Mitigation Plan.

- ◆ **Elmore County** –Conducted three months of committee meetings with 15+ committees representing various factors of the Comprehensive Planning process, Update of Emergency Operations Plan and Hazard Mitigation plan, Provide TA to County EMA, completed and Mapped Land Use County wide, Gathered Housing Conditions data, Processed numerous Fire Grants for Rural Volunteer Departments.
- ◆ **Millbrook** – Completed Draft of Subdivision Regulations, Updated Hazard Mitigation Plan, Updated Base Maps, Assisted with Annexation process, Completed Land Use Map, Re-established current Zoning Map.
- ◆ **Tallassee** – Completed Land Use Plan, and Annexation Feasibility Study, Updated Base Maps, Secured Funding for RPO, Updated Hazard Mitigation Plan, Secured Industrial Access Grant and CDGB Grant funds for GKN Aerospace.
- ◆ **Wetumpka** – Update Base Maps, Secured Funding for RPO, Updated Hazard Mitigation Plan, Administered Transportation Enhancement Grant, Completed Frog Level Housing Rehabilitation Project, Assisted with Annexation process, Updated Zoning Map.

North Central Alabama Regional Council of Governments: (Cullman, Lawrence, and Morgan Counties) is served by the North-Central Alabama Regional Council of Governments. NARCOG is supporting ARC's goal for infrastructure with the second phase of a sewage system in the Town of Eva. Phase I has been completed, and NARCOG will be requesting \$200,000 ARC funds for FY 2007. The LDD continues to provide technical assistance and grant support to local governments

Additionally, the LDD has been very successful in the creation of new jobs through its Revolving Loan Fund Program, thus reducing the unemployment in the NARCOG Region. A total of 45 loans have been made with \$3.9 Million Revolving Loan Funds, leveraging \$23 Million in private dollars and creating 688 jobs averaging \$5,670 per job.

NARCOG is seeking funding to re-capitalize the RLF Program:

- USDA – Rural Business Enterprise Grant Program - \$200,000
- USDA – Intermediary Relending Program Funds - \$500,000
- ARC - \$200,000

Education is a priority in the NARCOG Region. The LDD is assisted Lawrence County with securing Microsoft software donation for the Lawrence County school system. It continues to provide updated information on funding sources and workshops to the community colleges in the Region.

During 2005, the LDD staff attended various seminars and meetings in an effort to obtain information and serve as a liaison with local governments. NARCOG continues to

promote the LDD through the use of a visual display, which is set up at major conferences, local events and local governments.

Top of Alabama Regional Council of Governments: (DeKalb, Jackson, Limestone, Madison, and Marshall Counties) are served by the Top of Alabama Regional Council of Governments. During 2006, three major economic impact/opportunity issues clearly came to the front in this region. On the negative side, imports and foreign trade imbalance in textiles and apparel markets continued to created high unemployment and the threat of final dislocation in these traditional mainstay entry-level job markets in DeKalb and Jackson County.

On the positive side, military consolidation programs under BRAC and the planned expansion of biomedical research complexes in Huntsville, pose a potential area employment of an estimated 10,000 direct and spin-off jobs over the next seven years. These job opportunities are expected to radiate economic benefit out into the region. In addition, the national reaffirmation of a nuclear alternative energy growth policy contains two projects that target the mothballed TVA Bellefonte facility in Jackson County.

During the 2006 program year, the LDD pursued the following efforts/actions to address these threats and help capitalize on opportunities, and to utilize the District's resources to increase the quality of life for the District's citizens.

- Continued to provided ongoing technical assistance and grant support to regular grant programs & "targets of opportunity" - including Grant Application preparation support for the vital T-21/T, LWCF, RTP, CDBG and FEMA/FIRE Grant Programs.
- Continued to remain prepared to provide any necessary "crisis response" actions (i.e. 2006 Tornado's/flooding activities)
- Supported economic infrastructure projects - with continued emphasis on: 1) DeKalb County/Fort Payne's need for wastewater upgrades to promote jobs development to replace their import impacted textile sector; 2) Assisted Jackson County with its spec industrial park development, the development of their recreational/tourism economic assets, and plans to develop a medical and area hospital complex at Bridgeport..
- The LDD's Planning Department continued to follow-up Scottsboro's ARC funded Strategic Plan with ongoing program support efforts.
- The first phase draft of the Downtown Plan for Arab was completed, and major planning efforts for Valley Head, and Gurley were begun; and, zoning assistance was provided to the City of Guntersville..
- Supported "Growth Center" jobs creation and retention in the Huntsville/Madison County area - with emphasis on executive level support to the State/Chamber of Commerce's 2006 BRAC activities, and began work to incorporate planning for BRAC impact projections into the region's CEDS and State Strategic Plan elements.
- RLF program/portfolio expansion efforts were continued
- Support of USDA Community Facilities Loan Program applications was continued

- District staff supported and facilitated the 2006 EDA required restructure and five-year update of the regional CEDS. The Agency served as the major interactive catalyst to update the Region's 2006-07 prioritization of projects and goals.
- During 2006, the area has undertaken a second Sub-Watershed/water quality monitoring study project in DeKalb County; and expects to continue providing technical support to an ongoing FEMA drainage project prepared for the City of Bridgeport.

Ongoing staff efforts include: technical support for business incubators, job retention training, workforce development coordination and advocacy for critical environmental issues. In addition, the District's LDD staff continued to monitor Homeland Security issues and keep the counties advised on potential impacts at the local level.

Strategies for Appalachian Alabama

Strategic Goals

One of the key differences between ARC and other federal institutions is in the discretion given to the 13 states in determining how their allocated funds will be spent. Funds must be spent in accordance with ARC guidelines, on projects benefiting those counties designated as a part of the Appalachian Regional Commission's service area, and must meet at least one of ARC's four strategic goals and Alabama's state objectives. Specific strategies the State of Alabama may pursue to achieve our development goals are set forth below:

ARC Goal One: Increase job opportunities and per capita income in Appalachia to reach parity with the nation.

Strategic Objective 1.1: Foster Civic Entrepreneurship

State Strategy 1.1.1: Support training programs to increase the proficiency of business development practitioners, economic development officials, and international trade professionals.

State Strategy 1.1.2: Assist local communities to institute strategic planning and direction for future progress and improvement of their local economy.

State Strategy 1.1.3: Support local efforts to form partnerships, both short-term and long-term, between local governments, nonprofit community-based groups, and private businesses for economic and community improvement.

State Strategy 1.1.4: Encourage energy-efficiency through school, non-profit, and community-based programs.

Strategic Objective 1.2: Diversify the Economic Base

State Strategy 1.2.1: Provide capital funding for the development and expansion of small business incubators.

State Strategy 1.2.2: Encourage and support revolving loan fund capitalization efforts for Local Development Districts.

State Strategy 1.2.3: Support efforts to improve access to capital for small and medium-sized businesses.

State Strategy 1.2.4: Promote job creation through investment in the development of renewable energy resources throughout Appalachian Alabama.

Strategic Objective 1.3: Enhance Entrepreneurial Activity in the Region

State Strategy 1.3.1: Provide support from programs that seek to establish an entrepreneurial climate throughout Appalachian Alabama.

State Strategy 1.3.2: Support programs and initiatives that provide training, assistance, and other resources to entrepreneurs for the creation and expansion of local businesses.

State Strategy 1.3.3: Support programs that encourage and teach youth entrepreneurship.

Strategic Objective 1.4: Develop and Market Strategic Assets for Local Economies

State Strategy 1.4.1: Support local efforts to market Appalachian Alabama to domestic and international visitors.

State Strategy 1.4.2: Support infrastructure development to increase tourism, based on the economic impact of the development.

State Strategy 1.4.3: Support training programs and workshops on tourism development for local areas.

State Strategy 1.4.4: Support the development, production, and use of local assets for the energy needs of Appalachian Alabama.

Strategic Objective 1.5: Increase the Domestic and Global Competitiveness of the Existing Economic Base

State Strategy 1.5.1: Support programs that will increase goods and services exported from Appalachian Alabama.

State Strategy 1.5.2: Encourage the use of e-commerce applications by small and medium-sized enterprises to improve their supply, manufacturing, and distribution chains

State Strategy 1.5.3: Support initiatives that promote increased foreign direct investment in Appalachian Alabama.

State Strategy 1.5.4: Support technical assistance to businesses and organizations for achievement of operational efficiencies through energy conservation.

ARC Goal Two: Strengthen the capacity of the people of Appalachia to compete in the global economy.**Strategic Objective 2.1: Foster Civic Entrepreneurship**

State Strategy 2.1.1: Support youth leadership development efforts through leadership training, experience-based education programs, apprenticeships, youth-operated enterprises, and cooperative education activities.

State Strategy 2.1.2: Support efforts to establish ongoing local leadership training programs.

Strategic Objective 2.2: Enhance Workforce Skills through Training

State Strategy 2.2.1: Strengthen programs that provide basic skills and workforce training to increase employee capabilities, improve job skills, and upgrade marketable skills.

State Strategy 2.2.2: Support workforce readiness programs that provide skills necessary to acquire jobs.

State Strategy 2.2.3: Strengthen basic skills programs in the public school system and establish specific competency requirements.

State Strategy 2.2.4: Continue to improve public education through the implementation of statewide reforms.

State Strategy 2.2.5: Support programs and mobilize resources to increase adult literacy.

State Strategy 2.2.6: Support programs and initiatives that provide for career planning and placement.

Strategic Objective 2.3: Increase Access to Quality Child Care and Early Childhood Education

State Strategy 2.3.1: Support initiatives that provide opportunities for a quality preschool experience through parent support programs, quality childcare and preschool programs.

State Strategy 2.3.2: Assist communities in developing programs and services for families and caregivers of young children that will ensure that all children are healthy and prepared to succeed in school.

State Strategy 2.3.3: Support educational programs in K-12 that will expand and improve current programs.

State Strategy 2.3.4: Support programs that improve teacher quality by increasing professional development programs.

State Strategy 2.3.5: Support programs that will expand the use of telecommunications in education, especially K-12.

State Strategy 2.3.6: Support initiatives that will provide technical assistance to communities on marketing, long-term financing, and resource identification for the continuation of exceptional programs.

State Strategy 2.3.7: Support initiatives that will help parents and caregivers learn positive skills to help them meet the physical, intellectual, social, and emotional needs of all children.

Strategic Objective 2.4: Increase Educational Attainment and Achievement

State Strategy 2.4.1: Support initiatives that promote lifelong learning.

State Strategy 2.4.2: Support programs that reduce the school dropout rate in our Appalachian counties to equal or better than the national average.

State Strategy 2.4.3: Utilize telecommunications, computers, and other technological capabilities to deliver education and training programs.

Strategic Objective 2.5: Provide Access to Health-Care Professionals

State Strategy 2.5.1: Support educational programs that train health-care professionals who will locate in Appalachian Alabama.

State Strategy 2.5.2: Support programs to provide primary health care to Appalachian citizens.

Strategic Objective 2.6: Promote Health through Wellness and Prevention

State Strategy 2.6.1: Bring the infant mortality rate into parity with the nation.

State Strategy 2.6.2: Support programs to strengthen prenatal and neonatal health care and to provide education programs to reduce the infant mortality rates.

State Strategy 2.6.3: Support programs to prevent teen pregnancy.

ARC Goal Three: Develop and improve Appalachia's infrastructure to make the Region economically competitive.**Strategic Objective 3.1: Foster Civic Entrepreneurship**

State Strategy 3.1.1: Encourage local leaders to explore innovative, cost-effective arrangements for delivery of services, including service consolidations.

State Strategy 3.1.2: Provide training, consultation, and financial support for local leaders and organizations to build capacity to address infrastructure challenges.

State Strategy 3.1.3: Support partnerships and regional efforts in infrastructure development.

State Strategy 3.1.4: Encourage water and wastewater infrastructure development through "self-help" projects that use the skills and commitment of local communities.

State Strategy 3.1.5: Support strategic planning initiatives for local organizations and agencies to capitalize on economic development opportunities created by the Appalachian Development Highway System.

Strategic Objective 3.2: Build and Enhance Basic Infrastructure

State Strategy 3.2.1: Support job creation and retention by investing in water, sewer, site development, industrial access roads, and other physical infrastructure to serve new and expanding industrial and commercial development.

State Strategy 3.2.2: Pursuant to ARC's residential service policy, ensure public health, regulatory compliance, and economic opportunity by providing new and existing customers with safe drinking water. The State will give priority to water projects that serve areas with documented health hazards.

State Strategy 3.2.3: Pursuant to ARC's residential service policy, ensure public health, regulatory compliance, and economic development by providing new and existing customers with wastewater disposal and treatment services. The State will give priority to wastewater projects that serve areas with documented health hazards.

State Strategy 3.2.4: Support the development and construction of strategic community facilities that will enhance opportunities for job creation and retention.

Strategic Objective 3.3: Increase the Accessibility and Use of Telecommunications Technology

State Strategy 3.3.1: Support initiatives that implement Alabama's Strategic Plan for Telecommunications in Appalachia.

State Strategy 3.3.2: Support efforts to link new and existing telecommunication networks.

State Strategy 3.3.3: Support training in the public, private, and non-profit sectors in Appalachian Alabama in the use of new technologies and applications.

State Strategy 3.3.4: Support projects that will evaluate existing architecture, infrastructure and equipment or facilitate the development of new applications and networks.

State Strategy 3.3.5: Support projects that will assist in the development of architecture infrastructure and equipment for new networks.

State Strategy 3.3.6: Support promising and innovative telecommunications applications and programs.

State Strategy 3.3.7: Encourage strategic investment in telecommunications infrastructure, including the use of conduit for fiber optic cable in basic infrastructure projects, that increases local, regional, and global connectivity.

State Strategy 3.3.8: Develop "smart parks" with telecommunications infrastructure, which will meet the needs of information industries.

Strategic Objective 3.4: Build and Enhance Environmental Assets

State Strategy 3.4.1: Support programs to raise awareness and leverage support for the reclamation and reuse of brownfields properties in industrial areas and mine-impacted communities.

State Strategy 3.4.2: Encourage eco-industrial development that can responsibly take advantage of the Region's natural-resource assets.

State Strategy 3.4.3: Support regional planning and economic development policies and programs that promote good stewardship of the Region's natural resources.

State Strategy 3.4.4: Support programs that encourage planning for, and development of, healthy and livable communities.

Strategic Objective 3.5: Promote the Development of an Intermodal Transportation Network

State Strategy 3.5.1: Work with state and local partners to identify and develop intermodal transportation facilities.

State Strategy 3.5.2: Support programs to encourage the expanded use of existing intermodal facilities.

State Strategy 3.5.3: Extend rail spurs into industrial areas, with a priority on those that serve multiple sites.

ARC Goal Four: Build the Appalachian Development Highway System to reduce Appalachia's isolation.

Strategic Objective 4.1: Foster Civic Entrepreneurship

State Strategy 4.1.1: Encourage long-term strategic planning by local and regional leadership to take full advantage of the economic and community-building opportunities of the Appalachian Corridor Development.

State Strategy 4.1.2: Support local and multi-jurisdictional forums to promote communication and mutual understanding, and resolution of barriers to completion of the remaining ADHS miles.

Strategic Objective 4.2: Promote On-Schedule Completion of ADHS Corridors X and V

State Strategy 4.2.1: Support efforts to complete Corridor X.

State Strategy 4.2.2: Support efforts to complete Corridor V

State Strategy 4.2.3: Encourage the use of conduit for deployment of telecommunications technology.

Strategic Objective 4.3: Coordinate Work on ADHS State-Line Crossings

State Strategy 4.3.1: Encourage the coordination of technical information, funding disbursements, and construction scheduling between adjoining states to facilitate completion of state-line crossings of ADHS corridors.

Future Program Initiatives for FY07

Available Funds

It is anticipated that ARC Alabama in FY07 will receive an amount similar to that of FY06. At this time, spending is expected to follow the historical trend from prior years, with spending allocated across all of ARC's goal areas.

Special Initiatives (Asset-Based Economic Development)

ARC's Federal Co-chair periodically singles out a special opportunity or strategy to complement the Commission's proven methods of increasing the economic attainment of the Region. These regional initiatives have historically focused on areas such as telecommunications, leadership development, international trade and entrepreneurship. A special initiative introduced during the fiscal 2005 funding cycle is specifically focusing on development of the Region's assets in a way that leverages what is unique to each local area. In identifying the advantages of the Region as a whole, four broad opportunities for development become apparent. These opportunities involve the leveraging of cultural, natural, community-based, and structural assets. Examples of development strategies based on these assets are given below.

- **Cultural** - Building *creative* economies by capitalizing on traditional arts, cultural heritage, and new and existing programs for attraction of visitors, both domestic and international, has paid off for a number of regions across Alabama and the Appalachian Region. These strategies have included creation of heritage trails, development of apprenticeship programs, use of traditional retail venues and electronic commerce to market indigenous products, and highlighting the Region's music and narrative traditions.
- **Natural** – Appalachian Alabama has long been known for its natural assets, and the gateway communities leading to them stand to benefit greatly from increased visitation and spending. A sustainable, asset-based development strategy for these natural resources maintains their character while allowing for greater enjoyment of outdoor activities such as fishing, camping, white-water rafting, and rock climbing. Specialized agricultural development, including the processing of specialty food items, fish farming, and organic farming adds value to an activity that has traditionally been as a primary economic pursuit. Getting the most from the Region's

productive hardwood forests by maximizing sustainable timber harvesting and value-added processing can create jobs and local wealth.

- **Leadership/Community** – It is often said that a community’s greatest assets are its organizations and its residents, especially those that take leadership roles in helping the community thrive and prosper. A comprehensive asset-based strategy builds community capacity, encourages citizen involvement, and fosters collaboration among business, government, nonprofit, and philanthropic organizations to act as catalysts for community and economic development. Successful leadership/civic capacity projects allow a community to rise up to meet the increasing demands of growth and change.
- **Structural** - Appalachian communities can turn local liabilities into opportunities by focusing on strategies such as brownfield redevelopment, adaptive reuse of real estate, and downtown revitalization. Converting overlooked and underused facilities into industrial parks, business incubators, or educational facilities has shown positive results across Appalachia. Throughout the Region, communities and businesses are integrating development and management practices to leverage what they have—historic buildings, abandoned railroads, and old mines—to build and enhance economic vitality.

In short, asset-based development leverages what is unique to an area, playing to community strengths. By contrast, support for the strengthening of generic weaknesses in a region’s economy does not fit well into an asset-based development framework.

Proposals for funding for asset-based economic development projects must be supported by a demonstration that they will contribute to the achievement of the initiative goal.

Special Initiatives (Telecommunications)

The Alabama Department of Economic and Community Affairs (ADECA) will seek to increase the use of technology, distance learning, telemedicine, video arraignment, economic development, and other telecommunications within Appalachian Alabama. ARC funds will be used to develop a fiber optic backbone, where fiber is available at a reasonable cost, and will use other systems that are reasonable and available when fiber is not obtainable. Each system or network funded will include the necessary equipment to connect with other networks or systems.

ADECA will provide assistance in the design of the system and assist in writing open specifications, so that applicants will not have to rely on a particular vendor to both design and bid on a system. Technology training will be provided to teachers and technology coordinators whenever a system is installed. A list of vendors will be maintained in the Science, Technology and Energy Division of ADECA and will be provided to each applicant, with a disclaimer that no particular vendor is recommended and that all projects must be bid.

Special Initiatives (Energy Blueprint)

The Appalachian Regional Commission is currently developing an Energy Blueprint for the Region, which will provide a strategic framework for the Commission to promote new energy-related job opportunities by stimulating sustainable energy production efficiency and conservation efforts throughout the region. The blueprint will assess the current energy landscape and examine both non-renewable and renewable energy opportunities based on the competitive potential of Appalachia's energy resources and current and emerging energy technologies. The blueprint will identify the Appalachian Region's energy assets and the potential for developing energy-related job opportunities in the Region based on the competitive potential of these assets.

The ARC Energy Advisory Council, consisting of one Governor-appointed energy expert from each of the 13 Appalachian states will bring their expertise, ideas and experience and use this and other information gathered to develop regional energy strategies and identify opportunities to address the changing energy market environment. Four areas to be addressed will be: non-renewables, renewables, jobs and energy, and energy efficiency and conservation.

The energy sectors are:

I. Non-Renewables

A. Coal

1. coal gasification and liquefaction
2. carbon capture and sequestration research and development
3. mine-tailing clean-up and energy production

B. Oil

1. enhanced oil recovery methods
2. oil shale resources

C. Natural Gas (and natural gas recovery)

D. Hydrogen production from non-renewable sources

E. Market Dynamics and Environment Costs

II. Renewables

A. Wind

B. Solar

C. Hydro

D. Biomass/Biofuels

E. Geothermal

F. Waste to energy

G. Hydrogen/Fuel cells

H. Market Dynamics and Environmental Costs

III. Energy Efficiency

A. Industry

B. Residential

C. Commercial

D. Transportation

E. Institutions

Special Initiatives (Other)

The State of Alabama will continue to participate in the ARC Export Trade Advisory Council (ETAC) and will support efforts to increase international trade and export development in Appalachian Alabama. The State will also assist in recruiting industries for trade expeditions and trade shows related to ETAC.

ARC Alabama will participate in the Flex-E-Grant Program for FY-2006 and through this program will continue to address technical assistance, leadership and civic capacity needs in Alabama's distressed counties.

The ARC Program Manager conducts an open ARC Applications Workshop in July or August of each year, and speaks about the ARC program annually at the CDBG Applications Workshop. These workshops are opportunities to distribute information about the Appalachian Regional Commission program, and to provide technical assistance in the submission of pre-applications and full applications. Pre-applications for ARC funding are taken the entire month of August.

Key LDD Initiatives

Northwest Alabama Council of Local Governments: (Colbert, Franklin, Lauderdale, Marion and Winston Counties) is served by the Northwest Alabama Council of Local Governments (NACOLG). In FY2007, NACOLG will again sponsor activities that assist underserved, unemployed groups within the region with information to improve their economic quality of life. NACOLG is currently surveying citizens in the five-county area to see if home-to-work routes would be feasible in the region. The ever increasing cost of gas has put a strain on the workforce to afford the commute to work. NACOLG vans could pick up at one common point and then go to a common destination. It is hopeful the survey will help determine if such a mode of transportation can be used in the region. NACOLG will continue to publicize its State assisted and EDA RLF program in an effort to create jobs and reduce unemployment in the region. Adult education, family literacy, entrepreneurial development, asset based development and the promotion of heritage tourism sites will continue to be a major priority in District 1. Telecommunication projects will be explored and promoted as opportunities for such projects are developed. Also the LDD will promote the use of alternative fuels such as bio-diesel during this period.

Specific projects planned for 2007 include: (1) Youth Workforce Development program which will assist school drop outs in achieving a GED and life skills training. The LDD will provide three Senior Aides as mentors for this program which will have meetings in Colbert, Lauderdale, Franklin and Marion counties; (2) The LDD will continue as workforce development advisory chair for this area in determining available workforce for businesses and industries; (3) The program for preventive health maintenance for Seniors in cooperation with Beville State Community College and UNA School of Nursing will continue this period; (4) The LDD will continue with One Alabama in developing a strategic plan for infrastructure needs in Northwest Alabama; (5) Assist the Town of Haleyville in planning zoning subdivision regulations; (6) Provide technical assistance to the Town of Killen and the Town of Rogersville for zoning regulations; (7)

Assist the Town of Hamilton in creating a planning commission and work on zoning regulations. and (8) Provide strategic plan for city to develop property it owns for industrial development.

NACOLG will also promote the completion of Corridor X and Corridor V as a part of the Appalachian Development Highway System which is a major component of economic growth in Appalachian Alabama as well as encourage and promote future development of the West Alabama freeway.

West Alabama Regional Commission: (Bibb, Fayette, Greene, Hale, Lamar, Pickens, Tuscaloosa Counties) are served by the West Alabama Regional Commission. Greene County is the only non-ARC county served by the West Alabama Regional Commission.

Priorities for 2007 include continuation of the use of the Global Positioning System (GPS) to map water and sewer systems in West Alabama. WARC's attention will also be focused on recreation facilities, walking trails, streetscapes and community facilities throughout the region. Other initiatives will address firefighting facilities and equipment for local fire departments and emergency preparedness activities in West Alabama's communities.

The LDD is participating in the development of a plan for a residential school in Tuscaloosa County for adults with developmental disabilities. In addition to residential facilities, plans include education facilities, a work program in partnership with private industry, and health and medical on-site personnel.

Regional Planning Commission of Greater Birmingham: (Blount, Chilton, Jefferson, St. Clair, Shelby and Walker Counties) are served by the Regional Planning Commission of Greater Birmingham. Assistance will be extended to the Coosa Valley Water Supply Authority that was formed to supply treated water to public water systems located in St. Clair and Talladega Counties. An effort is underway in western Blount County to make significant improvements to Rickwood Caverns State Park in an attempt to transform this facility into a high volume recreation oriented destination. Proposed improvements consist of a large community center building plus the attraction of new motels and restaurants. Grant funds have been obtained that will enable the city of Oneonta to renovate and upgrade a large industrial building enabling this facility to accommodate additional manufacturing businesses.

During the coming fiscal year, it is anticipated that ARC construction funds will be requested for the following projects:

- Coosa Valley Water Supply District – will serve three expanding industries served by four participating water systems.
- City of Pell City sanitary sewer - will serve two expanding industries.
- City of Clanton/Chilton County Industrial Park - New industrial park
- Jefferson County Industrial Board - Brownfields industrial site redevelopment

- Smoke Rise Sewer System Phase II – Service will be extended to the town of Hayden and to a developing industrial park.
- Fairfield Business Incubator

Area municipalities continue to express an interest in the LDD's Economic and Community Revitalization Program. Downtown revitalization efforts are ongoing in the city of Blountsville and Comprehensive planning activities that are to be completed for the city of Leeds.

The LDD partners with a number of local entities both public and private, in an effort to solve problems existing at the local and regional levels. One of the LDD's primary collaborators is the Regional Growth Alliance. The LDD, Region 2020 and Birmingham Regional Chamber of Commerce formed the Regional Growth Alliance in an effort to increase the capacity of citizens, business and government leaders to coordinate their interests and address growth-related issues that are regional in scope. The Alliance has been organized so that it can address transportation, environmental and racial/economic diversity issues. The mission of the Growth Alliance is to inform and recommend policies and guidelines to government, business and citizens in support of a balance of conservation and development of historic, natural and cultural resources through land use policies and a framework for neighborhood preservation and revitalization.

The LDD is continuing its rural transportation planning process in an effort to provide rural and suburban areas with access to the regional transit system. LDD staff continues to provide administrative support for the implementation of the Leeds Water Storage Tank construction project.

East Alabama Regional Planning & Development Commission: (Calhoun, Chambers, Cherokee, Clay, Cleburne, Coosa, Etowah, Randolph, Talladega, and Tallapoosa Counties) are served by the East Alabama Regional Planning and Development Commission (EARPDC). In the coming year, EARPDC will develop a Recreation Inventory for the Region that includes both recreational facilities funded by grants and those constructed without grant assistance. Grant funding will be pursued for those areas with little or no recreational opportunities to promote health and physical fitness for all age groups, especially children and senior adults. Some recreation improvements have already been made in the most economically distressed parts of the region through the Enterprise Community program. As administrator of these funds, the EARPDC has facilitated the construction of playgrounds, ball fields, and basketball courts, the purchase of athletic equipment and band instruments, and the hiring of recreation coordinators to organize activities that will put the equipment and facilities to use.

EARPDC will also be working cooperatively with the Regional Planning Commission of Greater Birmingham to close out the second phase of the I-20 corridor study. This project, which addresses development issues in the corridor between downtown Birmingham and the Georgia state line, focused on the development of an economic

impact model to determine where future development potential will generate a positive return on investment for targeted infrastructure improvements.

South Central Alabama Development Commission: (Bullock, Butler, Crenshaw, Lowndes, Macon, and Pike Counties). With the assistance of SCADC, Macon County and its municipalities will continue to implement the projects referenced in FY 2006. The county and the towns will also continue to identify and develop projects for future consideration that will meet or exceed the State's ARC goals and objectives. Broad goals have been recognized at the county and municipal levels that complement the ARC goals, which will assist in driving project identification and development.

- Continue the implementation of the Tuskegee Downtown Revitalization Plan by making infrastructure, structural, and aesthetic improvements to the Tuskegee Downtown Area;
- Continuing implementation of the Tuskegee sanitary sewer system rehabilitation project;
- Developing new and existing industrial and commercial parks and sites within Macon County, to include infrastructure resources and utility services;
- Developing a community/senior center in the Town of Shorter;
- Expanding and upgrading the local water system infrastructure in the Town of Shorter;
- Expand the residential and commercial sanitary sewer system to serve the Town of Shorter;
- Expanding the water and sanitary sewer system infrastructures for the Town of Notasulga;
- Continue developing a countywide Comprehensive Plan and Zoning Ordinance for the unincorporated areas of Macon County in order to provide county officials and residents with the basic planning tools necessary to promote community and economic development;
- Continuing the development of a county-wide GIS;
- Implementing improvements proposed in the Macon County Utility Infrastructure Development Plan to attract industrial growth;
- Continuing the development of a Comprehensive Plan and updating the Zoning Ordinance for the Town of Notasulga in order to provide local officials and residents with the basic planning tools necessary to promote community and economic development;
- Developing an Administrative Building for the Star-Mindingall Water Authority;
- Rehabilitating the water delivery system of the Star-Mindingall Water Authority;
- Continuing implementation of the ARC-funded *Tuskegee & Macon County Tourism Development Plan*;
- Updating the Shorter Comprehensive Plan and developing a marketing study;
- Developing a geographic information system for the Utilities Board of the City of Tuskegee;
- Constructing water system improvements to benefit commercial growth at the Wire Road exit along Interstate 85 in Macon County; and
- Developing additional industrial sites with relevant infrastructure for the Town of Shorter.

Central Alabama Regional Planning & Development Commission: (Autauga, Elmore and Montgomery Counties). Of the three counties served by CARPDC, Elmore is the only Appalachian County and has been designated by ARC as a "transitional" county. CARPDC is currently working with the communities in Elmore County on a number of projects for 2006-2007, including the following:

- ◆ **Coosada** –Provide on-going Technical Assistance for Subdivision Regulations and Zoning Ordinance

- ◆ **Deatsville** – Assist with locating and placement of new Water Tank, Assist with negotiations on acquisition of property for New Town Park, Assist with placement of Storm Warning Sirens.
- ◆ **Eclectic** – Senior Center Grant Application, USDA application for Sanitary Sewer on Alabama Highway 63, provide on-going TA for Zoning Regulations.
- ◆ **Elmore (Town of)** – Seek CDBG funds for Fire Equipment, File LWCF grant for new Playground, Drainage and Water projects, provide on-going TA for new Zoning Regulations.
- ◆ **Elmore County** – Continue work on Comprehensive plan, Apply for grant for Family Resource Center, Process LWCF application for Recreational Trail project, Map Housing Conditions, Update County Base Map, Secure Appropriation for Holtville Water System, Secure Appropriation for Elmore County Board of Education.
- ◆ **Millbrook** – Continue work on Comprehensive Plan, and Zoning Regulations, Participate in Alabama Community of Excellence Program, Work toward funding for sidewalks connecting residential areas to schools, Main Street revitalization project.
- ◆ **Tallassee** – On-going Economic Development TA, Update of Zoning Ordinance, Draft of Comprehensive Plan.
- ◆ **Wetumpka** – CDBG Grant Application for Fain Center, LWCF Application for Recreational Trail project, Transportation Enhancement Application for extension of River Walk Project.

Evaluation and recommendations regarding community facilities and transportation access in Elmore County has and will be an on-going activity for the LDD. Residential growth pressures continue to be an area of concern and planning activities in Elmore County, particularly in the areas of Millbrook, Tallassee and Deatsville areas are crucial to the future of these communities. This growth will create the need and desire for additional commercial and industrial growth as has been already observed by the location of a new Super Wal-Mart in Millbrook, the expansion of GKN Aerospace and other industries in Tallassee and the increasing residential pressure in Deatsville. CARPDC has continued to work with the Elmore County Economic Development Authority on gathering data and pursuing funding for economic development activities within the LDD. Additionally, CARPDC continues to be a participant in the implementation of a Synchronist Business Information System for compiling information on companies and their key players along with employment history, product lines, production levels, expansion issues and governmental issues affecting business growth and development in Elmore and the other counties in Region 9.

CARPDC plans to assist the LDD in planning and preparing for the increasing growth pressures of new business, industry and residential development through planning and pursuit of infrastructure development. Additionally, assistance will be provided in stabilizing and revitalizing existing businesses and residential areas through rehabilitation and revitalization of economic development efforts.

North Central Alabama Regional Council of Governments: (Cullman, Lawrence, and Morgan Counties) are served by the North-Central Alabama Regional Council of Governments. NARCOG staff will be mailing ARC grant information for FY 2007 to all member governments and communities within the Region. NARCOG will seek funding to increase the Revolving Loan Fund asset base in the Region, and will also seek opportunities for conducting seminars providing information on financing needs and will attend workshops and conferences focusing on the financing needs of small businesses.

Top of Alabama Regional Council of Governments: DeKalb, Jackson, Limestone, Madison, and Marshall Counties are served by the Top of Alabama Regional Council of Governments (TARCOG). During the 2007 program year, the District expects to continue with the following efforts to increase the quality of life for the LDD's citizens:

- Continue vital local ongoing technical assistance of grant application and administrative support to regular grant programs such as the T-21/SAFTEA, LWCF, RTP, CDBG and FEMA/FIRE Grant Programs.
- Support any economic "targets of opportunity" development projects (i.e. potential industrial location in Athens/Limestone County and in the new Jackson County industrial parks.)
- Work closely with the Huntsville/Madison County BRAC taskforce to insure the maximization of District's employment and tax base impact of the projected relocations.
- Complete and publish the revised EDA 2006-2011 CEDS (June 2007)
- Continue support of Economic Development infrastructure projects – i.e. City of Fort Payne wastewater upgrade project – City of Huntsville EDA related downtown, trade & tourism enhancement (projected to generate up to 1,000 jobs)
- Respond to any local "crisis" actions (i.e. infrastructure fires, tornado's/flooding activities)
- Apply to ADEM for a third Sub-Watershed/water quality monitoring study in DeKalb County;
- Continue ongoing RLF efforts (goal: loan \$200K, generate \$500K in private investments, and create 25 new jobs.)
- Use the Agency's new 501(C)(3) status to partner with community action groups and to generate revenue to the Area Agency on Aging's outreach programs and other Agency activities.
- Continued support of area USDA Community Facilities Loan Program applications (goal: assist 3 communities with USDA projects during FY '07).
- Promote and provide planning and Application support for any new area Hazard Mitigation and other FEMA related Planning/Grant applications.
- Continue on-going follow-up to Scottsboro Strategic Plan with support for implementing major objectives in workforce development (i.e. New industrial park,) downtown revitalization and tourism attraction/enhancement promotion.

Staff participation will continue in vital information streaming on business incubators, job retention training, workforce development coordination, advocacy, and critical environmental issues. In addition, the District will continue to monitor Homeland Security issues, and keep the counties advised on potential impacts at the local level.

State ARC Program Policies

The State of Alabama's Appalachian Regional Commission Program will focus primarily on areas of highest need, areas suffering from economic depression, areas with existing health hazards, areas where projects will have the most significant impact, and areas that are not able to help themselves. Each project for which ARC funding is requested will be considered on a case-by-case basis, and must contain performance measures consistent with those set by the Commission in their Performance Plan for FY2007. An ARC workshop, which is an open workshop, is held annually and preapplications are taken for an entire month. The workshop notice and agenda are also posted on ADECA's web site at least two months prior to the workshop in order to give as much notice as possible for solicitation of preapplications. The Local Development Districts (LDDs) are encouraged to solicit as many proposals as possible within their service area so that the needs of the Appalachian people can be identified. The ARC program manager works closely with the LDDs and local government officials as well as nonprofit organizations to address the needs of Alabama's Appalachian citizens.

The State's maximum threshold for counties designated by the ARC as "distressed" will be 80 percent with a maximum of \$200,000 in ARC funds per project. The maximum threshold for counties designated by the ARC as "transitional" will be 50 percent with a maximum of \$200,000 in ARC funds per project. The maximum threshold for counties designated as "at-risk" may be up to 70 percent with a maximum of \$200,000 in ARC funds per project. State thresholds for Administrative Grants for Local Development Districts (LDDs) will be 50 percent, except for those LDDs with "distressed" counties: the threshold will be 75 percent with a 25 percent match.

The State's Consolidated Technical Assistance program will be funded at a maximum of 50 percent. The maximum threshold for counties designated as "competitive" will be 30 percent with a maximum of \$200,000 in ARC funds per project. ARC funds are ineligible for activities occurring in counties designated as "attainment," except in the case of multi-county projects, which provide clearly defined benefits in one or more "distressed" counties. A waiver of the restriction for "attainment" counties may be requested in accordance with Section 7-6.6 of the ARC Code. Funding for Revolving Loan (RLF) programs will be considered with respect to established Commission-approved RLF Guidelines.

Projects are considered on a year-to-year basis with a maximum of three years' funding unless there are extenuating circumstances. The State will not fund projects to construct or renovate school buildings, except in emergencies. Project overruns will not generally be considered for additional ARC funding. When there are project underruns, ARC funds will generally be deobligated, returned, and made available for other eligible projects. A request for proportional reduction will be given consideration in projects with underruns.

Under certain circumstances, the state may waive the state policy maximum of \$200,000 per project. The State will target areas of greatest need, and will respond with ARC funding in emergency situations and whenever special development opportunities arise. The maximum threshold for emergency relief projects and projects considered as special development opportunities will be 80/20.

The state will work closely with the Alabama Development Office in efforts to increase trade in Appalachian Alabama, and will participate in trade events as well as events sponsored by the ARC Export Trade Advisory Council. The State of Alabama will support programs that increase export sales of small and medium-sized firms (SMEs) from Appalachian Alabama as well as programs that increase the number of SMEs engaged in international trade.

The State of Alabama will work closely with national and local partners to foster public and private partnerships to achieve these goals and objectives.

All project applications submitted will be required to include performance measures as a part of the application process. All projects submitted to the state for ARC funding must have output and outcome measures included in an evaluation plan from the grantee.

Appendix 1

LDD Directory

NORTHWEST – Region 1

Executive Director: Keith Jones
Address: Northwest Alabama Council
of Local Governments
PO Box 2603
Muscle Shoals, AL 35662
Telephone: 256-389-0500
E-mail: kjones@nwscc.cc.al.us
Counties Included: Colbert, Franklin, Lauderdale, Marion, Winston

WEST ALABAMA – Region 2

Executive Director: Robert B. Lake
West Alabama Regional
Commission
4200 Highway 69, North, Suite 1
Northport, AL 35473
Telephone: 205-333-2990
E-mail: warc@adss.state.al.us
Counties Included: Bibb, Fayette, Hale, Lamar, Pickens, Tuscaloosa, (Greene)

Greater BIRMINGHAM-Region 3

Executive Director: Larry Watts
Address: Regional Planning Commission
Of Greater Birmingham
Suite 200
1731 First Avenue, North
Birmingham, AL 35203
Telephone: 205-251-8139
E-mail: lwatts@rpcgb.org
Counties Included: Blount, Chilton, Jefferson, Cherokee, St. Clair, Shelby, Walker

EAST ALABAMA – Region 4

Executive Director: James W. (Bill) Curtis, AICP
Address: East Alabama Regional Planning
& Development Commission
(1130 Quintard Ave., Suite 300)
P.O. Box 2186
Anniston, AL 36202
E-mail: www.earpdc.org
Telephone: 256-237-6741
Counties Included: Calhoun, Chambers, Cherokee, Clay, Cleburne, Coosa, Etowah, Randolph,
Talladega, Tallapoosa

SOUTH CENTRAL ALABAMA – Region 5

Executive Director: Tyson Howard
Address: South Central Alabama
Development Commission
5900 Carmichael Place
Montgomery, AL 36117-2345
Website: www.scadc.state.al.us
Telephone: 334-244-6903

E-mail mdeberry@adss.state.al.us
Counties Included: Macon (Bullock, Butler, Crenshaw, Lowndes, Montgomery, Pike)

CENTRAL ALABAMA – Region 9

Executive Director: Bill Tucker
Address: Central Alabama Regional
Planning & Dev. Commission
125 Washington Ave. 3rd Floor
Montgomery, AL 36101-0051
Telephone: 334-262-4300
E-mail director@carpdc.com
Counties Included: Elmore (Autauga, Montgomery)

NORTH CENTRAL – Region 11

Executive Director: C. Ronald Matthews
Address: North Central Alabama Regional
Council of Governments
(216 Jackson Street, SE)
P.O. Box C
Decatur, AL 35602
Telephone: 256-355-4515
E-mail pwhite@adss.state.al.us
Counties Included: Cullman, Lawrence, Morgan

TOP OF ALABAMA –Region 12

Executive Director: Robert B. Culver
Top of Alabama Regional Council
of Governments
5075 Research Drive, N.W.
Huntsville, AL 35805
Telephone: 256-830-0818
E-mail tarco@adss.state.al.us
Counties Included: DeKalb, Jackson, Limestone, Madison, Marshall